

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: STARK ENERGY, INC., Debtor.	Case No. 24-30168 Chapter 11
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**STIPULATION FOR ADEQUATE PROTECTION AND STIPULATED MOTION TO
VACATE HEARING AND STAY MOTION FOR RELIEF FROM AUTOMATIC
STAY**

Alliance Funding Group (“AFG”), a secured creditor herein, and Debtor, Stark Energy, Inc. (“Stark”), by and through their undersigned attorneys, stipulate and move this Court as follows:

1. Stark filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code on April 23, 2024.
2. Pre-petition, on or about April 5, 2021, Stark, as purchaser, entered into an Equipment Financing Agreement with AFG to purchase a 2017 Volvo Sleeper Truck, VIN 4V4NC9EH3HN974302, and granted a security interest in the Volvo pursuant to the terms of the agreement.
3. On June 27, 2024, AFG filed a Motion for Relief from Automatic Stay (the “Stay Motion”) (Docket No. 97) wherein the Bank requested that the automatic stay imposed by 11 U.S.C. § 362 be lifted so the Bank could exercise its state-law foreclosure remedies in relation to the Collateral.
4. On July 11, 2024, Stark filed Debtor’s Objection to AFG’s Motion to Lift Automatic Stay (the “Stay Response”) (Docket No. 138) wherein Stark offered to make monthly adequate protection payments in the amount of \$235 per month in lieu of lifting the stay.

5. Stark has filed a Plan of Reorganization (Docket No. 144) pursuant to which Stark has offered to pay \$287.23 per month for sixty (60) consecutive months based on a secured debt of \$14,000.00 (the “Plan”)

6. Stark asserts that its continued use of the Collateral is necessary for Stark’s continued operations and will be necessary for an effective reorganization.

7. To ensure that AFG’s interests are adequately protected prior to confirmation of a Plan of Reorganization, the parties stipulate and agree as follows:

(a) Beginning on or before August 1, 2024, and continuing on the same day of each month thereafter, Stark shall pay the Bank adequate protection payments in the amount of \$287.23 to be applied to the balance of the AFG’s claim, which is an amount calculated by the parties to protect from the current economic trends in the value of the Collateral.

(b) AFG agrees that the Plan terms as set forth herein are satisfactory and AFG will cast a vote in favor of the Plan.

(c) All payments shall be made payable to the AFG and mailed initially to counsel for the AFG or to such other locations as the AFG may direct;

(d) Stark will maintain the Collateral interest in good repair and maintain possession of the Collateral;

(e) Stark will maintain insurance on the Collateral as provided in Equipment Finance Agreement #21-12855; and

(f) In the event of a default under this Stipulation, the Bank shall send written notice of the default to Stark and its counsel. Email notice fulfills the

written notice requirement. Stark shall have a ten (10) day period in which to cure the default. If Stark fails to cure such default, the AFG shall have relief from stay in the Bankruptcy Court with respect to the Collateral without the need for further application to the Bankruptcy Court, and may then exercise its rights with respect to the Collateral pursuant to applicable non-bankruptcy law. In addition, if Stark fails to cure such default, Stark shall turn over the Collateral to AFG.

8. The terms of this Stipulation shall terminate automatically in the event of: 1) dismissal of Stark's case, 2) conversion of Stark's case to a case under Chapter 7 of the Bankruptcy Code, or 3) pursuant to the terms of a confirmed Plan of Reorganization.

9. The Parties agree that the Relief Motion should be stayed, and the Hearing should be vacated in accordance with the terms of this Stipulation.

WHEREFORE, the Bank and Stark respectfully request that the Court enter an Order approving this Stipulation, vacate the Hearing, stay the Relief Motion, and for any such other and further relief as the Court deems just and proper.

DATED this 29th day of July, 2024.

/s/ Michael L. Gust
Michael L. Gust (ND ID 06468)
ABST Law, P.C.
4132 30th Avenue South, Suite 100
P.O. Box 10247
Fargo, ND 58106-0247
(701) 235-3300
mgust@abstlaw.net

ATTORNEYS FOR ALLIANCE FUNDING GROUP

Ahlgren Law Office, PLLC

/s/Erik A. Ahlgren

Erik A. Ahlgren, ND Attorney #09561

220 West Washington Ave, Ste 105

Fergus Falls, MN 56537

Office: 218-998-2775

Fax: 218-998-6404

erik@ahlgrenlawoffice.net

ATTORNEY FOR DEBTOR